

Federal Communications Commission

DA 96-1298

Before the  
Federal Communications Commission  
Washington, D.C. 20554

Amendment of the Commission's )  
Rules Regarding a Plan for Sharing ) WT Docket No. 95-157  
the Costs of Microwave Relocation )  
)

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## MEMORANDUM OPINION AND ORDER

Adopted: August 14, 1996

Released: August 14, 1996

By the Chief, Wireless Telecommunications Bureau:

## INTRODUCTION AND EXECUTIVE SUMMARY

1. By this action, the Chief, Wireless Telecommunications Bureau, acting pursuant to delegated authority,<sup>1</sup> designates the Personal Communications Industry Association (PCIA) and the Industrial Telecommunications Associations, Inc. (ITA) as the clearinghouses that will administer the Commission's cost-sharing plan under the microwave relocation procedures for the 2 GHz band adopted in the *First Report and Order and Further Notice of Proposed Rule Making* in WT Docket No. 95-157.

## BACKGROUND

2. In the *First Report and Order and Third Notice of Proposed Rule Making* in ET Docket No. 92-9, 7 FCC Rcd 6886 (1992), the Commission re-allocated the 1850-1990, 2110-2150, and 2160-2200 MHz bands for use by the personal communication services (PCS) and established the procedures for the 2 GHz microwave incumbents to relocate to frequencies in higher bands. In the *Third Report and Order* in ET Docket 92-9, 8 FCC Rcd 6589 (1993), the Commission outlined further details of the relocation plan. Specifically, the Commission fixed voluntary and mandatory negotiation periods to facilitate the relocation of the incumbent microwave facilities. In the *First Report and Order and Further Notice of Proposed Rule Making* in WT Docket No. 95-157, the Commission adopted a cost-sharing plan whereby PCS

<sup>1</sup> The Wireless Bureau has been delegated authority to select one or more entities to act as a clearinghouse to administer the Commission's cost-sharing plan. See *First Report and Order and Further Notice of Proposed Rule Making* in WT Docket 95-157. See also 47 C.F.R. §§ 0.131 and 0.332



licensees that incur costs to relocate microwave links during the voluntary negotiation period would receive reimbursement for a portion of those costs from other PCS licensees that would also benefit from the relocation of the link.<sup>2</sup> Therein, the Commission (i) recommended that one or more industry-based clearinghouses be designated to administer the cost-sharing plan; (ii) solocited business proposals from those parties wishing to act as the administrator of the clearinghouse(s); and (iii) delegated authority to the Wireless Bureau to select one or more entities to create and administer the clearinghouse(s). The Wireless Bureau, pursuant to an April 25, 1996 Public Notice,<sup>3</sup> issued a request for business plans from those entities wishing to act as a clearinghouse for the administration of the Commission's cost-sharing plan. The Bureau requested that -- at a minimum -- the plans include: financial data which address how the entity intends to raise start-up funds; how much the entity intends to charge for each transaction; an assessment of how long it would take the entity to become operational; how many days it would take the clearinghouse to notify the licensees of a reimbursement obligation; how the entity would separate out premium payments from those payments that are reimbursable; how the entity intends to address the licensees' concerns about confidentiality; how the entity intends to remain impartial. On May 24, 1996, PCIA and ITA submitted business proposals for administering a clearinghouse.

#### SUMMARY OF PCIA'S CLEARINGHOUSE PLAN

3. The PCIA plan describes PCIA's organization and governance, financing plan, operational timetable, accounting methods, protection of proprietary information, impartiality, and dispute resolution procedures that it will utilize as a clearinghouse service. The various aspects of the plan are summarized in the following paragraphs.

4. PCIA is a non-profit entity whose members comprise much of the PCS industry. PCIA proposes that the clearinghouse will be an independently incorporated subsidiary of PCIA which will have its own by-laws, membership, and Board of Directors. A fifteen member Board of Directors will be elected from the membership -- PCIA's membership being open to all participating in the cost-sharing plan. In addition, PCIA plans to have a full-time professional staff -- of non-PCIA employees -- execute the daily activities of the clearinghouse.<sup>4</sup>

5. In its plan, PCIA states that its administration costs would be paid through a transaction fee of \$2,000, which will be charged to each clearinghouse participant that chooses PCIA to obtain reimbursement on its behalf under the cost-sharing plan. However,

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<sup>2</sup> *First Report and Order and Further Notice of Proposed Rule Making* in WT Docket No. 95-157, para. 1.

<sup>3</sup> *Public Notice*, DA 96-647, April 25, 1996

<sup>4</sup> *See* PCIA plan at 6-7.



until the transaction fee payments can generate sufficient funds to support the administrative costs, PCIA has obtained commitments from eight PCS licensees to provide initial funding.<sup>5</sup> The eight investors will receive credit toward participation in the clearinghouse.<sup>6</sup>

6. PCIA estimates that its start-up costs for the first year will be \$1.1 million, the 2nd year; \$803,000, the third year; \$710,000, the fourth year; \$535,000, and the fifth year; \$467,000. PCIA states that these estimates may over state real costs, and thus expects a future reduction of transaction fees if indeed excess funds are collected.<sup>7</sup> PCIA anticipates refunding any excess funds to participating entities upon dissolution of the clearinghouse. In addition, PCIA states the clearinghouse will be audited each year by an independent accounting firm.

7. To ensure confidentiality, the clearinghouse Board of Directors will set and the staff of the clearinghouse will employ necessary safeguards to ensure that sensitive proprietary information is distributed only to those entities who require it for legitimate cost-sharing purposes. The clearinghouse will also execute a non-disclosure agreement with all participating entities. Parties participating in the clearinghouse will not be required to file their relocation agreements with the clearinghouse. Such documentation will be kept by each relocating entity, and the costs of relocation will be submitted to the clearinghouse in a standardized format.<sup>8</sup>

8. PCIA states that the clearinghouse's objective is to help cost-sharing participants resolve their disputes. With regard to resolution of potential disputes, PCIA will require that all disputes regarding a cost-sharing obligation be reported to the clearinghouse within 30 days of notification of the obligation. The clearinghouse will meet informally with disputing parties to resolve the problem. If the problem cannot be resolved, the clearinghouse will strongly encourage the parties to utilize alternative dispute resolution (ADR) methods. The clearinghouse Board of Directors will play no role in the actual dispute resolution process. All disputes will be handled by the clearinghouse staff.<sup>9</sup>

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<sup>5</sup> See PCIA plan at 9. The eight investors include: American Personal Communications, APT, BellSouth, Cox, Omnipoint, Pacific Bell Mobile Services, PCS PrimeCo, and Sprint Spectrum, L.P.

<sup>6</sup> PCIA states that those providing initial funding for the clearinghouse will be reimbursed through credits in the amount of their investment plus interest at the prime rate plus 4%.

<sup>7</sup> See PCIA plan at 8-9.

<sup>8</sup> *Id.* at 13.

<sup>9</sup> *Id.* at 15.



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SUMMARY OF THE ITA PLAN

9. The ITA plan describes ITA's organization and governance, financing plan, operational timetable, accounting methods, protection of proprietary information, impartiality, and dispute resolution procedures that it will utilize as a clearinghouse service. The various aspects of the plan are summarized in the following paragraphs.

10. In its plan, ITA states that it is a national, membership-based service association and the largest membership organization in the private wireless industry, that includes 6,500 FCC-licensed private wireless operators as well as private and commercial wireless equipment manufacturers, national trade associations representing both industrial and commercial markets, commercial licensees and radio dealers. ITA is governed by a Board of Directors comprised of licensees elected by the membership and representatives appointed by equipment manufacturer and supporting trade association members.<sup>10</sup> ITA states that it will form a distinct Clearinghouse Division within its organization which will be managed by ITA's internal staff.

11. ITA's financing plan addresses the (i) projected costs to develop, provide and maintain the required clearinghouse activities and services, and (ii) projected revenues to support these activities on a cost basis. ITA anticipates that its annual revenues will be comprised of clearinghouse registrations and services fees.<sup>11</sup> ITA states that it will use existing financial resources within the association to fund start-up costs. ITA estimates its start-up costs for the first year to be \$939,091 and \$736,429 for the second year. The operating costs associated with ITA's clearinghouse activities have been calculated as direct expenses and indirect expenses.

12. Direct expenses include software and product development. In this regard ITA has subcontracted with the Information Systems Division of Moffet, Larson & Johnson, Inc. (MLJ), to provide support in the development of the technical software programs, databases and analytical products essential to this project. Also included in direct expenses are personnel costs, software license fees, professional services, general office costs, and costs associated with communications efforts within the industry.<sup>12</sup>

13. Indirect expenses include office leases and software/ hardware maintenance. Software maintenance will be provided primarily by MLJ's Information Systems division.

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<sup>10</sup> See ITA plan at 66-67.

<sup>11</sup> *Id.* at 13.

<sup>12</sup> *Id.* at 84-85.



ITA will use existing hardware resources to support the project.<sup>13</sup> Other indirect expenses are corporate insurance and depreciation. Depreciation will be calculated as a percentage of staff dedicated to the project.<sup>14</sup>

14. Clearinghouse registrations and service fees will be the primary funding mechanism. ITA plans to charge a fee of \$150 per link for PCS relocater registration<sup>15</sup> and \$250 per base station for proximity threshold tests.<sup>16</sup> In the event a party registers its prior coordination notice with both clearinghouses but elects to use a clearinghouse other than ITA to facilitate the reimbursement of its funds, no registration fee will be assessed by ITA.

15. ITA states that its Clearinghouse Division will be ready to commence operations on the date the Wireless Bureau notifies ITA of its selection as a clearinghouse entity. ITA states that it will distribute Reimbursement Obligation Notifications within one business day following verification that it has all the necessary administrative, technical and financial information relevant to the particular microwave relocation transaction under consideration.<sup>17</sup>

16. As a part of its accounting methods, ITA will require the completion by the relocater of a "Microwave Relocation Cost Report" which will contain the illustrative components presented by the Commission for a microwave link ( i.e. radio terminal equipment, back-up power equipment, monitoring and control equipment, frequency coordination, etc.), space for additional cost expenditures, and a section where costs attributed to new or modified tower requirements may be listed.<sup>18</sup>

17. To address confidentiality concerns, ITA proposes not to retain any information submitted by the parties relating to premium payments. Since it will be necessary for later entrants to supply site information for ITA to conduct proximity threshold tests, ITA has indicated that it is willing to execute confidentiality agreements for those later entrants for whom ITA is performing analytical or administrative services.<sup>19</sup> ITA will not request that parties using its services as a clearinghouse file their entire relocation agreement but will only

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<sup>13</sup> *Id.* at 86.

<sup>14</sup> *Id.* at 87.

<sup>15</sup> According to ITA, the \$150 registration fee will only be assessed if the registering party elects to use ITA as its clearinghouse.

<sup>16</sup> See ITA plan at 83.

<sup>17</sup> *Id.* at 14-15.

<sup>18</sup> *Id.* at 18.

<sup>19</sup> *Id.* at 20.



request a summary of pertinent terms of the agreement.

18. ITA states that it intends to resolve disputes by attempting to have parties agree to have the disputed costs reviewed by an independent certified public accounting firm to verify and affirm the cost components for mutual acceptance. If these procedures fail, then ITA will implement a dispute resolution mechanism which requires that all disputes must be reported to the clearinghouse within 10 days of notification of the reimbursement obligation. Within two business days of receipt of the objection notice, ITA will inform all parties of the dispute and require each party to submit proposed solutions and within four business days, ITA will submit relocation cost estimates for the parties review. Within three business days of receiving the estimates, parties may submit their proposed solution or alternatives. ITA will then meet informally with disputing parties to resolve the problem. If there is no resolution, ITA will recommend that an experienced mediator be contacted.

#### DISCUSSION

19. On April 25, 1996, the Commission released a Public Notice<sup>20</sup> inviting comment on the establishment of one or more clearinghouse(s) to administer the cost-sharing plan. Ten parties filed comments and, on June 21, 1996, ITA filed reply comments. These parties are listed in Appendix A. All of the parties support the Commission's intent to designate a clearinghouse to administer the Commission's cost-sharing plan. Eight of the parties supported the establishment of a single clearinghouse -- PCIA.<sup>21</sup> A number of the parties expressed concerns with regard to certain elements of ITA's plan or maintain that the plan needs further explanation. American Portable Telecom, Inc. ("APT"), BellSouth Corp. ("BellSouth"), Omnipoint Corp. ("Omnipoint"), Pacific Bell Mobile Services ("Pacific Bell"), and PCIA all argue that the authorization of two clearinghouses will result in inefficient administration of the cost-sharing rules and unnecessary cost duplication. These parties further contend that having two clearinghouses will necessitate the exchange of confidential information that may result in the inadvertent or unauthorized release of this information. APT, Pacific Bell, PCIA, and Sprint Spectrum and American Personal Communications ("Sprint Spectrum") all raise concerns about ITA's funding plan, fee structure, and the lack of industry participation in ITA's clearinghouse. AT&T Wireless Services, Inc. fully supports PCIA's plan and urges the Commission to accept it immediately and designate PCIA as the clearinghouse.<sup>22</sup> If the Commission elects to authorize multiple clearinghouses, PrimeCo Personal Communications, L.P. and UTC urge the Commission to adopt a strict set of operating guidelines in order to ensure that the cost-sharing plan is administered properly.

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<sup>20</sup> *Public Notice*, DA 96-647, April 25, 1996.

<sup>21</sup> The Telecommunications Association (UTC) did not express a preference between the two parties but did offer its recommendations regarding the operation of a single clearinghouse.

<sup>22</sup> *See* AT&T Wireless Services, Inc. comments at 1.



The American Petroleum Institute ("API") argues that the Commission should allow both ITA and PCIA to establish clearinghouses to ensure cost savings and efficiencies. However, API maintains that, should the Commission authorize only one clearinghouse, ITA should be selected as the sole clearinghouse.<sup>23</sup> The specific issues raised by the commenting parties are discussed below.

20. Multiple Clearinghouses. APT, BellSouth, Omnipoint, Pacific Bell, and PCIA all contend that there is no benefit to having multiple clearinghouses and encourage the Bureau to select PCIA as the only clearinghouse. According to these commenters, having multiple clearinghouses will not encourage competition but will instead result in additional expenses and ultimately cause a reduction in the amount the industry will recoup from the Commission's cost-sharing plan.<sup>24</sup> Both Omnipoint and Pacific Bell argue that two clearinghouses will mean that two database systems will have to be set up resulting in redundant administrative effort -- with the cost of these efforts to be ultimately recovered from the participants.<sup>25</sup> BellSouth asserts that having one clearinghouse -- with PCIA acting as the clearinghouse -- will give relocators one set of procedures to follow and only one entity with which to file sensitive cost information.<sup>26</sup>

21. In response, ITA states that competition between the clearinghouses would encourage (i) operating efficiency, (ii) superior services, (iii) continuous assessment of marketplace concerns, (iv) fast and courteous service, and (v) competitively priced goods and services.<sup>27</sup> ITA maintains that multiple clearinghouses will provide a balance between the interests of PCS licensees and the microwave incumbents in the negotiation process. While ITA concedes that two clearinghouses may result in some duplicative costs, it asserts that the participants will not bear the brunt of these costs because participants will pay transaction fees only to the clearinghouse they believe has best minimized its administrative costs and offers the most efficiently priced services.<sup>28</sup> According to ITA, the existence of a choice between multiple clearinghouses will provide the necessary checks and balances against abuse and ensure neutrality and impartiality on the part of all clearinghouses.

22. We find that both parties have provided sufficient information to satisfy the

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<sup>23</sup> See API comments at 3.

<sup>24</sup> See BellSouth comments at 2, Omnipoint comments at 2, Pacific Bell comments at 2, PCIA comments at 2, and APT comments at 1.

<sup>25</sup> See Omnipoint comments at 2 and Pacific Bell comments at 2.

<sup>26</sup> See BellSouth comments at 2.

<sup>27</sup> See ITA reply at 2.

<sup>28</sup> See ITA reply at 2.



requirements laid out in both the *First Report and Order and Further Notice of Proposed Rule Making*, FCC 96-196 (released April 30, 1996) and the *Public Notice*, DA 96-647, April 25, 1996. As explained in the following paragraphs, we believe that ITA has adequately addressed all concerns raised by commenting parties and find no merit to the commenters' assertion the Commission should reject ITA's plan. Further, we do not believe it is necessary to require either PCIA or ITA to submit a revised plan to include any additional information as requested by the commenting parties. We are aware that both plans and their projected implementation may need to be modified at some time during the course of the administration of the cost-sharing plan. Therefore, we find it appropriate to monitor both PCIA and ITA's implementation of their plans and require that both parties submit reports to the Commission at six-month intervals. The first report will be due on February 1, 1997, and every six months thereafter. The reports should include an update on the number of links relocated, the amounts paid to relocate these links, updated cost and revenue projections, and any adjustments to existing fee structures. We also reserve the right at any time to inspect the records of or demand additional information from PCIA and/or ITA.

23. In keeping with the Commission's goal of fostering competition in the telecommunications marketplace, we find that the benefits of having two clearinghouses outweigh any disadvantages mentioned by commenters. By offering cost-sharing plan participants a choice among clearinghouses, we increase the incentive for both clearinghouses to operate in an efficient manner, thus greatly benefiting the consumers of these services. We believe that in the absence of competition, a single clearinghouse would have less incentive to keep its prices/costs low. Our decision here is consistent with prior Commission decisions relating to frequency coordination, in which we have created competition among coordinators by allowing license applicants to utilize the services of any authorized frequency coordinator.<sup>29</sup> Similarly, we believe giving participants in the cost-sharing plan the option to select from more than one clearinghouse will lead to more cost-effective service.

24. Confidentiality. APT, BellSouth, Pacific Bell, and PCIA express concern that having two clearinghouses will necessitate the exchange of confidential information that may result in the inadvertent or unauthorized release of this information to parties not directly involved in the transactions.<sup>30</sup> Pacific Bell argues that the more individuals who have access to confidential information the greater the likelihood that the protections in place may be

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<sup>29</sup> See generally, In the Matter of Amendment of Part 90 of the Commission's Rules to Expand Coordination of the 800 MHz General Category Channels, *Report and Order*, PR Docket 92-209, 8 FCC Rcd 3626 (1993), and In the Matter of Replacement of Part 90 by Part 88 to Revise the Private Land Mobile Radio Services and Modify the Policies Governing Them and Examination of Exclusivity and Frequency Assignment Policies of the Private Land Mobile Radio Services, *Report and Order and Further Notice of Proposed Rule Making*, PR Docket No. 92-235, 10 FCC Rcd 10076, ¶150 (1995).

<sup>30</sup> See APT comments at 2, BellSouth comments at 2, Pacific Bell comments at 2, and PCIA comments at 5.



compromised and confidential information released to unauthorized individuals.<sup>31</sup> APT and PCIA express concern about ITA's proposal to sell products that may contain confidential information regarding PCS licensees' deployments and request that any such information that is submitted to a clearinghouse remain confidential and secure.<sup>32</sup>

25. Responding to these concerns, ITA argues that both proposals recognize the sensitive nature of the information that will be submitted and adequately address all concerns about confidentiality. Both PCIA and ITA assert that they will collect and disseminate only that information which is absolutely essential to the performance of the clearinghouse functions and will execute confidentiality agreements with all participating entities. With respect to APT and PCIA's concerns about ITA's proposal to sell a CD-ROM so that licensees may plan future deployments in such a manner as to ultimately reduce their relocation costs, ITA maintains that the CD-ROM will not contain any confidential information but only information that is publicly available.<sup>33</sup>

26. We disagree with the commenters' assertion that having multiple clearinghouses may increase the likelihood of the inadvertent release of confidential information. It is apparent from both proposals that PCIA and ITA will only collect and disseminate such information as is absolutely necessary and will execute confidentiality agreements with participating parties. Moreover, the only information to be exchanged between the clearinghouses is the prior coordination notices (PCN), which contain information that is publicly available. Such procedures adequately address the concerns of the commenters and ensure the necessary confidentiality. We continue to believe that designating multiple clearinghouses is the appropriate approach and believe that the safeguards instituted by both PCIA and ITA will adequately protect participants from the inadvertent release of any confidential information.<sup>34</sup> With regard to ITA's proposal to sell a CD-ROM, we believe that ITA has adequately responded to confidentiality concerns about the proposal to sell the CD-ROM and we note that the proposed CD-ROM will only contain information that is already publicly available. We reserve the right, however, to review at any time, the safeguards instituted by both clearinghouses to protect the confidentiality of certain information. Should confidentiality issues develop, we will take the appropriate steps to rectify the situation.

27. Funding Plan and Fee Structure. Several commenters (i) expressed concerns that

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<sup>31</sup> See Pacific Bell comments at 2.

<sup>32</sup> See APT comments at 2 and PCIA comments at 6.

<sup>33</sup> See ITA reply at 6-7.

<sup>34</sup> As indicated above, PCIA and ITA will not retain any confidential information relating to the relocation agreements but will only request a summary of pertinent facts from the parties. See para. 7 and 17.



ITA lacks the financial ability to operate a clearinghouse and (ii) noted that, although ITA claims to have the resources to fund the clearinghouse, it failed to submit a balance sheet or other financial information. APT, PCIA, and Sprint Spectrum all argue that ITA's business plan is weaker than PCIA's because ITA -- unlike PCIA -- failed to gain industry commitment for the funding of the clearinghouse for its first year of operation.<sup>35</sup> These commenters are concerned that ITA may be financially unable to undertake and maintain operation of a clearinghouse. PCIA and Pacific Bell argue that (i) ITA appears to have over-estimated the number of link relocations that will occur within the first two years and, if this is correct, will fall short of the cash flow needed to support its clearinghouse operations, and (ii) ITA's fee structure is unclear and suggest further clarification.<sup>36</sup>

28. In its reply comments, ITA maintains that it has provided the Bureau with a detailed description of its projected revenues and anticipated expenses as well as a projected financial statement for the first two years of its operation as a clearinghouse.<sup>37</sup> ITA points out that, while it did not include a balance sheet nor any specific information regarding its ability to provide up front funding for the clearinghouse, no such information was requested by the Commission nor was any such information provided by PCIA in its business plan. In any event, ITA maintains that should the Commission request any such data, it will be immediately forthcoming. With respect to PCIA and Pacific Bell's concerns about its fee structure, ITA argues that its "task based" approach is more fair than PCIA's fixed transaction fee because it allocates fees in proportion to the amount of services being provided.<sup>38</sup> According to ITA, a fixed transaction fee would require those relocators of small systems to subsidize those relocators of larger systems. ITA also points out that both it and PCIA have agreed to adjust their fee structures on a regular basis if the need arises.

29. We find that both PCIA and ITA's cost and revenue projections are reasonable and provide sufficient information to justify approval of their clearinghouse proposals. Although there is some inherent uncertainty in such projections, designating both PCIA and ITA as clearinghouses will enable customers to evaluate and compare both proposals and choose the organization whose projections they consider most reliable. Customers may also demand more detailed cost information from a clearinghouse as an inducement to choose one clearinghouse over the other. Because we are providing customers with a competitive choice, we see no need to require either PCIA or ITA to submit a balance sheet and other financial data to the Commission supporting their financial ability to provide up-front funding for their respective clearinghouses. Likewise, we see no need to require PCIA to specify the amount

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<sup>35</sup> See APT comments at 3, PCIA comments at 7-9, and Sprint Spectrum comments at 3.

<sup>36</sup> See PCIA comments at 7-9 and Pacific Bell comments at 4-5.

<sup>37</sup> See ITA reply at 3-5.

<sup>38</sup> *Id.* at 4.



of up-front funding that has been pledged by various PCS licensees. With regard to the concerns expressed about the fee structures, we agree with ITA that marketplace forces will dictate which fee structure best suits the need of the customers to be served and decline to specify a particular fee structure as the one to be used by the two clearinghouses.

30. Industry Participation. APT, Pacific Bell, PCIA, and Sprint Spectrum all raise concerns about the lack of industry participation in ITA's clearinghouse.<sup>39</sup> All four argue that, by allowing ITA's internal staff to conduct the activities of the clearinghouse, ITA will inhibit input from the PCS licensees -- those directly affected by the Commission's cost-sharing plan. PCIA states that -- contrary to ITA's assertion -- the customers to be served are members of the PCS industry and those in the industry will be the most knowledgeable about the best method to facilitate the relocation process.<sup>40</sup> PCIA maintains that by not allowing industry participation in the clearinghouse, the industry needs will not be addressed.

31. ITA, in its business plan, argues that since there are multiple organizations representing both the PCS and microwave industry, significant representation by a clearinghouse toward a single segment of either industry would skew the clearinghouse process in favor of one segment of the industry over another.<sup>41</sup> ITA maintains that the objective nature of the cost-sharing formula, the existence of multiple clearinghouses and the public comment periods during which all segments of the affected industries would have an opportunity to comment will result in industry participation in ITA's clearinghouse and ensure impartiality on the part of ITA in its administration of the Commission's cost-sharing plan.<sup>42</sup>

32. We believe that industry participation is vital to the Commission's cost-sharing plan. The existence of more than one clearinghouse should ensure that users of clearinghouse services will have input as to how both clearinghouses operate. In order to effectively compete in the marketplace, the clearinghouse that best addresses its client's needs will ultimately be the most successful. Since participation will necessarily be a product of competing clearinghouses, we do not believe we need to implement specific rules requiring industry participation. We reserve the right, however, to review in the future, the level of industry participation in the operation of the clearinghouses. If we find that there are problems emanating from lack of industry participation, we will take the appropriate steps to rectify the situation.

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<sup>39</sup> See APT comments at 2, Pacific Bell comments at 3-4, PCIA comments at 6-7, and Sprint Spectrum comments at 2.

<sup>40</sup> See PCIA comments at 6-7.

<sup>41</sup> See ITA plan at 7.

<sup>42</sup> See ITA reply at 6, note 4.



**ORDERING CLAUSES**

33. Accordingly, IT IS ORDERED, that the Personal Communications Industry Association and the Industrial Telecommunications Associations, Inc. are each hereby designated as the clearinghouses which will administer the Commission's cost-sharing plan.

34. IT IS FURTHER ORDERED, that PCIA and ITA shall submit to the Wireless Bureau reports on progress in implementing their respective plans beginning February 1, 1997, and every six months thereafter until the services of the clearinghouses are no longer needed.

**FEDERAL COMMUNICATIONS COMMISSION**

**Michele Farquhar**

**Chief, Wireless Telecommunications Bureau**



APPENDIX A

List of Parties Filing Comments and Replies on the Business Plans Filed to Administer the Microwave Relocation Cost Sharing Plan

Comments

1. American Petroleum Institute (API)
2. American Portable Telecom, Inc. (API)
3. AT&T Wireless Services, Inc. (AT&T)
4. BellSouth Corporation, BellSouth Personal Communications, Inc. and BellSouth Cellular Corp. (BellSouth)
5. Omnipoint Corporation (Omnipoint)
6. Pacific Bell Mobile Services (Pacific Bell)
7. Personal Communications Industry Association (PCIA)
8. PrimeCo Personal Communications, L.P. (PrimeCo)
9. Sprint Spectrum and American Personal Communications (Sprint Spectrum)
10. The Telecommunications Association (UTC)

Replies

1. Industrial Telecommunications Associations, Inc.